

SEASONS DOLLS

“...the cloth doll for all the Seasons in your life”



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Date: January 16, 1998

About this Sample Entrepreneur Business Plan:

The following sample NxLevel™ Entrepreneur Business Plan was originally written by a class participant, and subsequently modified to protect proprietary information. As it is primarily a student's work, it is not represented to be a “perfect” business plan, although the presentation is in keeping with the NxLevel™ format and content. It can be used as a sample of what a business plan might contain, and as a model for constructing the various sections.

Your instructor may ask that you review certain sections and suggest improvements, modifications or additions. The purpose of each individual business plan may be different, with varied intended readers. You may also be asked to discuss what information might need to be included or deleted based on the purpose of the plan.

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EXECUTIVE SUMMARY

Seasons Dolls creates an ambiance of romance with its exceptional decorator craft products and patterns, particularly in its quality cloth dolls and costumes, by marketing to those individuals interested in the creative beauty and nostalgia of handmade items.

The business is a sole proprietorship owned and managed by Shelly Artiste. Shelly has been in the craft business since 1982.

The business will use contractors and consignees to help the business grow, along with the efforts of volunteers who have served the business for a year or longer.

From January 1996 through December 1997 our sales have increased 100%. With a viable promotion plan and financial upgrades that the **NxLevel** program has shown, we plan to increase production and sales in 1998 by 75%, in 1999 by 25% and in 2000 by 25%.

We are developing our clientele base. Our customers are female crafters/sewers, ages 30 to 55 whose income is from \$30,000 to \$75,000.

We have committed personal funds to finance a limited number of items that are needed initially to keep us going. We need a 35mm camera, computer scanner and a serger. Additional financing comes from family and friends. The purpose of this business is to slowly grow from a hobby to a part-time supplemental income activity for family and friends involved.

SECTION II. MISSION, GOALS and OBJECTIVES

GENERAL DESCRIPTION OF THE BUSINESS

Seasons Dolls is a home-based business in Dally, Wyoming, that makes and sells patterns of an original cloth doll design by Shelly Artiste. The cloth doll is 27 inches tall with interchangeable faces, hair, costumes and accessories. We are developing a baby and a male doll at this time, for a complete doll family.

In addition to patterns, a limited number of completed dolls are sold. They are numbered, dated and signed by the artist. The doll comes with a certificate of authenticity. (See Appendix) Completed costumes, doll accessories, painted wood and hardware kits are also available for the doll body. A portrait doll can be made to order on special request. Women who are employed and stay-at-home mothers with expendable income are our market. There will be those who will want to buy a completed doll and those who will want to make the pattern themselves.

Our operation has been limited. In 1997 we attended two shows in Dally and have depended on word-of-mouth for sales. We are in Mimi's Doll Catalog in New Jersey and in the Woodbine Catalog of Catalogs and from these we have had inquiries and sold a limited number of patterns. This has made our name recognizable, even in Australia. We have been consigning with Mother Earth's Herbs and More, a new business, since November 28, 1997. From past experience we find that our expensive items sell better in a store.

Our growth ideas are to create new patterns and additional completed dolls, offer classes in doll making and increase the accessories line for the doll. We want to investigate more stores with a straight consignment rate (the store has you pay only a percentage on your products when they sell) and eventually develop our business into Northern Colorado in 3 to 4 years.

Today, we are restarting and reshaping this business. We want to give the customer a wide selection of items and make it easier for the customer to purchase these items. Our approach is one-stop shopping for everything needed to complete a doll. We want to leave the customer with something more – an idea to ponder and to add beauty to their lives.

MISSION STATEMENT

Seasons Dolls creates an ambiance of romance with its exceptional decorator craft products and patterns, particularly in its quality cloth dolls and costumes, by marketing to those individuals interested in the creative beauty and nostalgia of hand-made items.

GOALS and OBJECTIVES

A. To build a clientele of satisfied customers.

Provide new items the customer has indicated. This is on going.

Set up a layaway plan for more expensive items. (We do not take credit cards at this time.)

Provide a showroom of existing products in at least three different consignment locations.

Have part of our cottage as a showroom also. (Complete second year.)

Develop a system for handling customers' special orders, regular orders, phone calls, newsletters, follow-up after sales, show contacts, current mailing lists, keep track of

customers ideas and input on our products - all in a time framework. (Develop the first year.)

Teach classes on the cloth doll. Accomplish one class for first year. Establish a doll club for the Seasons doll. (Develop from classes by second to third year.)

B. To increase gross sales by 100% in 2 years.

Establish an Internet connection and develop a sales web page under cloth doll patterns. (Begin middle of first year.)

Do six showings a year in Wyoming and Northern Colorado. Begin in first year and increase shows over 4 years. (We do free shows at Sam's Club.)

Do one trade show in 4 to 5 years. International Quilt Market or Hobby Industry of America.

Keep check on prices so they remain competitive and include any increases in our materials. Needs to be done yearly.

Provide color photos and simple brochure of new dolls, costumes and accessories for customers who are not locally based. (A good quality camera is needed with a lens that can take very close up pictures. Shelly has taken all the quality pictures for Seasons Dolls.)

C. To increase production.

Hire contractors or consignees to make specific accessories. (First year.)

Hire contractors for sewing costume parts, stuffing doll parts, cutting fabric from patterns. (Begin second year.)

Hire outside help for bookkeeping and office work when necessary. (Three years.)

SECTION III. BACKGROUND INFORMATION

THE INDUSTRY

The cloth doll industry has been growing steadily for the past 50 years. What used to be most commonly a homemade product has remained such, but many people are making that homemade product their business. Doll making is usually a home based business where the product is sold at local and nationwide shows, or in art galleries.

Doll patterns are sold several ways: wholesale through trade shows, like the International Quilt Market and the Hobby Industry of America, directly to sewing and quilt markets, through direct mail order, like Patterncrafts Catalog, over the Internet, and through classes. The Internet and television shopping channels are good ways to sell completed dolls. There are several U.S. cloth doll makers who report gross sales of \$100,000 a year and above. They sell both completed dolls and patterns, with some of their completed dolls selling for \$300 to over \$1,000. These doll makers also teach classes worldwide.

CURRENT and FUTURE TRENDS

Cloth dolls have become an art form. Ethnic dolls and dolls constructed from natural fibers such as cotton and wool are popular. Some reasons for the popularity of cloth dolls are the beauty and warmth – they are “touchable”. Also, the materials to make a cloth doll are accessible to everyone.

According to Polk Co. Lifestyle Market Analysis of 1996, quilting, crafts and sewing are within the top seven entertainment expenditures for disposable income. The current wholesale avenue of purchasing patterns is through trade shows. Being a home based business, usually all packaging, mailing and delivery is done by the business. The average start-up cost of this type of business is \$10,000 and average gross is \$30,000. Risk factor and stability are average. The costs and profit margins are usually 50% for patterns. The dolls sell for what the market will bear for a particular artist's work.

The growth of the industry is on the rise according to Scott Publications editor. According to Lebbar - Friedman Inc., 1994, “The crafts industry rose 50% in 3 years. Sales and general crafts reflects an increased interest by consumers in doll making, fabric painting and accessorizing.” The general craft industry has increased 2 billion dollars in one year. People make more items and try to find ways to make money for themselves as the economy fluctuates. Computer technology is assisting the growth of the cloth doll market. There are many cloth doll manufacturers on the Internet listed under Cloth Doll Clubs Connection. The “trend setter” cloth doll makers are featured in doll magazine articles. There is a market for costume patterns for porcelain doll makers according to several porcelain doll makers in Washington, Wyoming, and Colorado.

The targeted women are grouping together in classes and doll clubs. This offers networking and the women can be kept informed by newsletters. Casper, Wyoming's first doll crafter's guild, will be formed in 1998.

BUSINESS “FIT” IN THE INDUSTRY

Seasons Dolls began in Fairfield, Washington, from a store front painting of an angel that inspired Kris Painter, of k.p. kids & co., to want to create an unusual stocking holder for a Christmas sock she had created. She wanted Shelly Artiste to design something mimicking the unique face style of the store angel. Working with Victor Painter, who had doll construction background, Shelly created the stocking holder with a beautiful face. Soon, Kris envisioned a line of stylish cloth dolls with the beautiful trademark faces. Shelly and Victor designed the first Seasons doll. Shelly sketched and painted the faces and designed the costumes. Victor and Shelly wrote the patterns for the doll body and costumes, sewed most of the clothes and did the doll construction.

Five prototypes and two mantle/shelf pieces were introduced at the 1993 International Quilt Market in Boston. They were a huge success and brought some inquiry into purchasing the rights. There was even talk of having Shelly and Victor fly to San Francisco to teach a special class. The patterns were soon carried in dozens of stores from coast to coast with re-orders in some areas for more patterns. The doll was advertised in several magazines and an article came out in Doll World, 1995. (See Appendix.) The marketing of the dolls fell to the wayside because of different developments in the lives of Victor and Shelly. The patterns were shelved for the most part until Shelly acquired the rights in 1996.

Recently Seasons Dolls has found a niche market for the cloth doll and patterns in Dally and Casper as a decorator item for adults. Our doll is elegant and sophisticated - a place primarily held for porcelain dolls. This allows the customer to make their own heirloom quality doll, if they choose. Our doll is made of mostly natural fibers. Most of the materials we use are easily accessible at local fabric and quilt stores. Since the doll has become a decorator item, we take into consideration current color trends and decorative trends.

SECTION IV. ORGANIZATIONAL MATTERS

A. BUSINESS STRUCTURE

Seasons Dolls is a sole proprietorship, owned by Shelly Artiste. As the business grows it will be beneficial to change to a Wyoming Close Corporation to provide additional liability protection for the owner and to add liability coverage on the dolls and costumes. It also offers a way to transfer the business. Prior to making the legal structure change an accountant and lawyer will be consulted.

MANAGEMENT

Shelly Artiste owns Seasons Dolls, and oversees and manages all aspects of the business. Shelly has been in the craft business since 1982, and managed and owned two profitable stores. She managed a consignment store in Seattle and was hired by same store to do the interior decorating of another larger location. (See Appendix for resume.)

Having a rapport with the customer and building a clientele is a must in this business. The personality and the artistic background of the designer can help increase sales. (See Appendix for artist background.) For special orders it is crucial to listen closely to what the customer wants and attain swatches of colors and material. This helps to create a satisfied special order customer. In the past, Shelly has had a following of clients in Pueblo, Granbury, Texas (south of Ft. Worth); Seattle and Fairfield, Washington (south of Spokane).

PERSONNEL

Seasons Dolls will need some contract help with sewing, stuffing and cutting as the business grows. Eventually, the doll and costume pieces will have to be contracted out. Consignees are needed to do accessory work. No employees are to be hired at this time. (See Appendix for contract and consignee agreements.)

As general manager, Shelly demands quality work done in a timely fashion. She uses drawings with specific dimensions to communicate the design she wants when dealing with contractors and consignees. Then they can specifically discuss with Shelly what they can do with a design. After everyone is satisfied, the contract is entered into and signed by both parties. If the item is to be consigned and displayed with the dolls, the consignee agreement is entered into when the item is received. Shelly wants to be able to refuse an item if the work is inferior or is not what was agreed upon. A file of other contractors and consignees is kept for different items wanted and to replace a contractor or consignee that doesn't produce the quality item ordered.

Room for open discussion is essential to creating a positive atmosphere for all workers and owners involved. To help create an enthusiastic effort, all workers need to be compensated for their work as agreed. Specialty work, such as beading, metal or wood work, can be recognized by including the name of the contractor or consignee on the hang tag of the doll or accessory item.

The work of the business is divided into specific job descriptions. This will also aid in sorting out contractors and consignees that fit the needs of the business. We have limited time to train, so when we do hire we will have to have qualified people. We do allow for apprentices who help with different parts of the business on their own time; however, they are not paid. What they learn from the business is their compensation. These people have to be carefully chosen and work well with the manager/owner.

The following are general job descriptions:

Hardline Designers

- Work in metal, silver, brass making accessories (consignment)
- Work with oak or pine woods for doll stand and wig bases, furniture and mini drums (consignment or contract)

- Beading work for different designs on costumes - buy outright at wholesale pricing

All the above designs are approved or designed by softline designer (Shelly).

Lead Softlines Designer (Shelly)

- Designs the doll bodies, doll costumes and fabric accessories; draws most of the diagrams for patterns; does all photography for patterns and brochures.

Packaging/Distribution/Inventory

- Receives and fills orders; mails letters, packages; does informal correspondence; keeps a certain number of patterns completed and for sale; keeps inventory of finished dolls in different body colors, face type and wig hair colors (dyes and cuts fabric). Keeps track of completed camisole/pantaloons outfits on hand; gets dolls and/or patterns ready for sale or display (knows how to dress or undress a doll)

Pattern Production Lead

- Develops and documents all patterns and enters into computer; places diagrams onto pattern; sends completed pattern to printer. Shelly and Sherry Twin (Sherry is an apprentice to the business and has invested in the business.)

Seamstress Lead

- Provides technical advice to softlines designer and assists pattern production. (Currently have a volunteer)

Lead Bookkeeper

- Keeps financial records in order and up to date (currently done in-house)

Office Manager

- Compiles newsletter; keeps meeting minutes; writes formal correspondence; keeps procedures filed and current; checks and orders supplies; books shows, classes and other engagements; makes copies. (Shelly and Sherry)

Construction of Completed Doll

- Cuts and covers wires; tears cloth; stuffs arms and legs; constructs hair-do; cuts fabric; applies iron-on-transfer; puts body together and stuffs. (contract) Paints face and sews body. Sewes costumes and camisole/pantaloons. (Shelly and Sherry)

Public Relations/Marketing

- Provides customer or store with adequate information about the doll / costumes; keeps up-to-date on shows (local and national); checks into advertising (preferably low cost, no cost); does brochure and checks current prices for the type of items we sell. This requires all of us.

Product and Packaging Inspections

- Check product and packaging for completeness, neatness and correctness. (Everyone is included in this process with the final check by Shelly)

We find it necessary to have checklists for items to be inspected at various stages in the making of a doll and costume. (See Appendix)

A production plan outline is set up for each design. (See Appendix.)

OUTSIDE SERVICES/ADVISORS

Accountant – A local CPA has been contacted in reference to becoming our accountant. She will help us with financial forms and end of year work.

Lawyer _ Our lawyer is a local small business attorney. She has helped us with our agreements and forms.

Insurance Agent _ Local insurance agency for liability on the dolls. Insurance will be addressed as business grows.

Banker _ Norwest Bank of Dally will be our business bank (it is our personal bank also). It is our intention to get to know a loan officer at the bank.

Advisory Committee _ We have people in business and crafters that use our products. Their input has already been helpful. Our committee is as follows: (specific names of committee members were removed from this sample business plan copy.)

RISK MANAGEMENT

Patterns are copyrighted by Shelly Artiste. It is the understanding that the work of the artist is property of said artist and carries the copyright symbol _ , date and name of artist. (Attorney consulted in copyright law.) The name of the business and trademark need to be registered with the State of Wyoming. We possess a sales tax license for Wyoming retail sales.

Our insurance needs will be ongoing. Liability for the dolls will cost approximately \$850 a year. Homeowners insurance will cover most of the equipment and materials of the business. Some of the business materials and equipment are at different locations. Wood supplies and patterns are stored at a friend's house. Finished patterns and dolls are at the store. Other wood supplies and materials are in our shed with the sewing machine and fabrics in our house. Paints, fabric, and the computer are in the house. Each of these buildings is separate from each other, and insurance needs are being discussed further. Inventory of supplies and materials in different locations is a must and has been started.

Other risk management includes the liability issue of the completed product, particularly small items that could be swallowed and possibly choked on. We have discussed this with our lawyer and plan to have a tag sewn into a seam of the doll body and the costume, that reads: "Adult doll - not a toy". Another paper tag will be visible on the completed doll with a warning symbol, that states: "WARNING - Choking Hazard - For Adults Only. Small items can be removed by a child (ages infant to 12 years) and swallowed resulting in choking and death". Information was also attained from Washington D.C. about stuffed toys warnings.

B. OPERATING CONTROLS

RECORD-KEEPING FUNCTIONS

We use an envelope system to keep track of expenses and income by product line. Invoices of the month and any reimbursements are kept in an income envelope. Expenses are kept in an expense envelope. The main monthly file is marked with the month of year. The expense and income envelopes are placed in the monthly file along with the balanced bank statement and deductible home expenses. At the end of the month, the envelopes are added up and the totals are put on the outside of each of the envelopes. This information is then transferred to ledger sheets. We can then determine what product is making the most money. (Our budget determines where our money will be spent.) While this is somewhat of an “elementary” system, it enable us at this early stage to closely track revenues and expenses by specific product. As the business grows, a more sophisticated system will be implemented.

The business uses a “tickler” file , clip boards and a chalk board to track business functions. We use a system of clipboards to keep track of the current month production activity, financial obligations (A/P and A/R), hours worked on specific projects, layaway and special order status, etc.. The tickler file is monthly for now and lets us know what has to be done financially for that month. The chalk board is back-up. Each clip board is arranged with the most current things to do on top with the less important activities on the bottom.

OTHER OPERATIONS CONTROLS

Duplicate business records to keep at a different location for safe-keeping. We use an written agreement (contract) between ourselves and our customer for the purchase of special order dolls and layaways. (See Appendix.) For special orders, we require that the customer pay a deposit of one-third of the retail amount of the item. For layaways, we require one quarter down. Each of these is non-refundable. We keep both layaway and special order files. Our unfinished patterns are kept at one location. Most of the finished patterns and completed dolls are displayed at Mother Earth's Herbs and More.

Since June 1997 we have had weekly production meetings every Thursday evening. They help with ideas, finding information and staying on task. Sherry writes the meeting notes, which become logs of our activities and help us develop policies and procedures. They are dated and kept in a meeting notebook.

We use labeled notebooks with a color system to keep track of daily business and to have a visual reference when needed. Our current system includes:

1. Notebook to keep track of records (for purchasing and other functions) from companies we deal with on a consistent basis.
2. Notebook to keep track of consigned inventory and in what stores, as well as copies of each store's agreement with us.
3. Samples and originals of contractors and consignee agreements are kept in a notebook.
4. Notebook for current budget information and categories.
5. Notebook for meeting notes and current ideas.

6. General inventory notebook and where inventory located.
7. Notebook used for each current pattern we are working on. Every change in the pattern is recorded there. It is also necessary to have a current working box for materials and pattern pieces being worked on.
8. Notebook kept for recording certificate of authenticity numbers and pattern and doll number systems.
9. Notebook for newsletters and information for current newsletter.
10. Follow-up after sale notebook includes what the customer may request in the future.
11. Trade Show and Craft Show information and contact persons notebook.
12. Current mailing list notebook (also on data base on computer).
13. Class information and lesson plan notebook with photos.
14. Doll club information and meeting notes kept in a notebook.
15. Advertising schedule notebook.

Again, as the business grows, computerized systems will be developed to store and sort information. The key to the current process is that artists are “visual,” and the information is currently readily available in tangible fashion rather than stored on a computer.

SECTION V. THE MARKET PLAN

A. THE PRODUCTS/SERVICES

PRODUCTS/SERVICES DESCRIPTION

Seasons Dolls creates and produces a decorative 27 inch cloth doll, doll body pattern, and costume patterns with accessories patterns included.

Patterns

Our doll includes a basic doll pattern, which has an iron-on transfer for the doll body and the six different faces. The other patterns are for costumes that can be made to dress the basic doll. The doll can be made once, then dressed and re-dressed in different costumes for different occasions. The hair is made out of cloth and into a wig and can be changed. If one chooses even the face can be removed and another put in its place. The doll is also “poseable.” The instructions are detailed and the faces are systematically painted with step-by-step instructions. Excellent photos are used for ease in painting the faces. There are also patterns for two mantle/shelf pieces which are Christmas stocking holders. The holders are capable of holding at least three oranges in a sock.

These products were produced after observing and researching other companies’ pattern lines. Other companies tend to use predominantly a country style with simple costumes or clothes sewed to the doll, and a very simple face or “character” face, often looking like they’ve all been copies from the same pattern. Pretty adult faces in the cloth doll world seemed very limited. Our dolls have unique, original faces (not copied from anyone), and can also wear a porcelain doll wig, if desired. (See Appendix for pattern samples.)

Completed Doll

The doll is 27 inches and made “poseable” by a wire structure. The face is removable and the hair is on a wig cap. These items can be made permanent. The customer can choose the skin color and hair color on special orders, as well as eye and lip color. A choice of colors is offered for the camisole and pantaloons, too. The completed doll has an oak stand so it can stand freely, with a sleeved hole in the lower back of the doll for the dowel.

Completed Costume

A completed costume fits any 27 inch Seasons Doll and includes the accessories specifically made for the costume. The costume can be made to match a customer’s decor. With minor adjustments the costumes will fit a porcelain fashion doll.

Wood/Metal/Beaded Accessories

Accessories include an oak doll stand and a wig stand for the doll wig. A chair, mini boat, broom, and shoe soles for different doll costumes are offered. Silver belt buckle and spurs for the future cowgirl are available. All of these items are in proportion to the 27 inch doll. We also have located someone to do bead work for the cowgirl vest and American Indian costume. By providing these accessories as a part of our company, we make it easy for our customer to find everything they need to go with the doll in one place.

Classes

Each class is based on a short lesson plan. We want the student to feel comfortable with the more difficult aspects of the doll creation process. The objective is not a totally completed doll, because a one day, eight hour class will not allow for completion of a doll. The students are given an instruction sheet of things to have prepared before class time. They need to have some things cut, partially sewn and an iron-on transfer put on cloth for the face and body. Other materials needed for the class are then listed.

Basic outline for a class:

1. Begin with the face showing how to hold the paintbrush, use paint on the cloth and maintain proper paint consistency. (The face they do in class will be a practice face. It is suggested they do another at home following the instructions given in the pattern.)
2. Show how to wrap wires for inner structure of doll.
3. Demonstrate how to stuff one arm and one leg.
4. Show how the doll holder is attached.
5. Demonstrate how the head is constructed and attached to the body.
6. Demonstrate how to wire and attach legs.
7. Demonstrate how to wire and attach arms.
8. Show how to stuff lower body.
9. Show how to stuff head, keeping the front part flat and the back round.
10. Show how to attach the hair to the wig cap to make a hair-do.
11. Help students chalk in the features of the face.
12. Help students sew the face pieces together.
13. Show how the head strip and ears are applied to the completed face.

Several dolls are displayed in different pieces to demonstrate how the doll looks at different stages of development.

Classes will be available the first part of April in Casper, Wyoming, and possibly Dally in September. (1998)

Future products and accessories would include expansions to our product line, which are detailed in the Marketing Section.

FEATURES/BENEFITS

Seasons Dolls have removable costumes, faces and hair. This lets the customer have one doll body and change her look literally from head to toe. Our cloth dolls, being unique, well -made and versatile, will last for years to come when properly maintained. Everything on the doll can be repaired or, if necessary, replaced.

The costumes are decorator quality, elegant and stylish. Our doll is tall and large enough to allow for fine detailing on the costumes which accommodates for designs by the customer in crochet, cross stitch, painting on fabric, stenciling with paint and bead work. This allows our customers to show-off their skills and talents (when completing their own patterns). Their Seasons Doll is an heirloom in the making.

We most often use 100% cottons and easily accessible craft materials from sources such as quilt shops and fabric/craft stores. This makes it easy to purchase items needed to make accessories and costumes. If a customer has trouble locating a product, they can contact us for available sources or we can order directly for them.

While Seasons Dolls patterns are slightly higher in price than other patterns , we provide unique features that justify the additional cost. We have iron-on transfers for the face and body. Also we include clear, close-up photos of faces. We have systematic instructions and many detailed diagrams to assist the sewer.

Because we offer a doll with seasonal changes, the customer can enjoy a type of intimacy with the doll - changing her clothes, hair or face and costumes to reflect their moods or to create a mood around them. Being able to dress a doll in many costumes brings a sense of nostalgia, a return to childhood memories or creates new memories for those who lost their childhood, all of which are reflected in the warmth of a contemporary cloth doll. The customer is given a sense of enjoyment, romance and beauty.

LIFE CYCLES/SEASONALITY

The life cycle of our business type appears to be constant. Dolls, in one form or another, have been a part of American life for as long as history records. This type of product, however, is relatively new. Having new faces and new costumes/accessories patterns keeps us new, as we can create something different fairly quickly.

Completed dolls sell year around. Birthdays, anniversaries and holidays are year-round, as are special orders. Patterns are more seasonal, but we have sales year round. The International Quilt Market trade show is in April and in October. The Hobby Industry of America trade show is in February. We try to coordinate our new patterns to come out with the trade shows, even though currently we do not attend these specific markets.

Our best sales appear to be in July/August and after children are in school, September/October and early in the year February/March when the weather still keeps people indoors. Local shows in August and during Frontier Days will increase our sales.

A costume for every month of the year is part of our product cycle. Some ideas for future months are:

January - Ice Queen - blues

February - Lady (1897 representative) with large hat - reds

March - Country lass (healing doll costume) - earth tones (green)

April - Victorian lady and angel - lavender (pastels)

May - Garden woman - multi-colors

June - Mermaid/Fairy - blue/greens (future bride)

July - Sailor girl or Miss Liberty - red, white, blue

August - 1920 Cowgirl - brown, black, red, white

September - Leaf costume - fall colors

October - Witch or fantasy costume - orange, purple

November - American Indian costume/ Pilgrim - brown tones

December - k.p. Christmas costume/ angels - reddish colors, green, blue, white

PRODUCTS/SERVICES GROWTH DESCRIPTION

At present we have completed a design for a baby, and hope to present it in February 1998. The baby has five different (ethnic) faces. A male doll has been requested by our customers and will be completed by the end of 1998. We have four more faces (ethnic) to add to our female doll collection. Interest has been shown in a "family" of dolls, all created in proportional size to the 27 inch female doll. The baby and the male dolls are the first in this "family".

We are able to offer a portrait doll in stylized art form of a particular person. The "family" of dolls can mimic a real family painted in our style. The person requesting the portrait, will send a full face picture of themselves. We "stylize" by taking their dominate features and make a drawing of them. This is sent back to the person for their approval. We also send them swatches of fabric and paint to choose their hair, eye and skin color. When approved, we go on to complete the doll.

After moving to the West, we decided to do a Western Series of costumes. These costumes include an American Indian woman costume, a 1920's cowgirl, an 1880's dance hall entertainer, a Miss Liberty (Victorian) costume and a prairie woman costume which can hold a baby in a quilt or an apple pie made out of fabric. The prairie pattern will be out in February, 1998.

Customers have shown definite interest in our Fantasy Series, the Renaissance and Medieval Periods. Even Louis the Fourteenth of France, of which our Ice Queen costume will be representative, was requested. Other potential series are the Angel Series and the African Series, mermaid and garden dress costumes. We are also developing the costumes for each month, as mentioned above.

We plan to put out four new patterns (including the prairie costume and baby body) in 1998. The male doll body and dance hall entertainer costume are part of the new patterns for 1998. We can stagger release dates that correspond with our newsletter, which comes out in January, April, July and October. These dates also coincide with the trade shows.

Our furniture for the doll includes a chair, wig stand and doll holder stand. Other furniture considered for 1999 includes a trunk and a free standing closet to hold clothes with appropriate sized hangers. We already have a silver belt buckle, silver spurs and silver conchos for the 1920's cowgirl.

Our schedule for 1998 includes the following completed dolls and/or patterns.

January - an 1875 era representation of lady with umbrella and train in back of dress - navy and rose floral

February - an 1897 era representation of lady in elaborate hat with bird cage - red, pink, burgundy

March - 1920 Cowgirl - begin Mermaid

April - simple garden dress; corrections made on sailor costume

May - an 1880's dance hall entertainer

June - finish country angel and mini-mantle/shelf angel and stocking; work on pattern for dance hall entertainer

July - Mermaid; pattern out for dance hall entertainer

August - male doll body

September - make witch costume from existing pattern

October - male doll pattern to come out; begin Santa (medieval with sculptured face)

November - make up a k.p. Christmas doll from existing pattern

December - begin design on Ice Queen pattern to come out in January

We will need to decide how many blondes, brunettes, black or red heads we need and what skin colors will be used.

For 1998, we will have five completed doll bodies and four more new patterns for sale. For 1999, we will increase the completed dolls to eight and increase the patterns to seven or eight. Classes will be increased to two. In year three, we will increase completed doll bodies to twelve and the new patterns will remain at eight. We will work on the American Indian, the Renaissance with a male costume, a healing doll with a Medieval representation and African doll costumes with drums.

We have also developed a way for the customer to purchase just the completed doll body and a painted face. The customer can buy fabric from us for other faces in the same material (skin color) within a three month time limit. Customer will be contacted by phone or mail. They can then decide to purchase more fabric for more faces. After that time the fabric may not be available.

B. THE MARKET ANALYSIS

CUSTOMER ANALYSIS

The following information is from, Polk Co. Lifestyle Market Analyst, 1996 and from talking with businesses like ours and customers present and past. Our customers are between 30 to 55 years old, female, with an income level from \$30,000 to \$70,000. Most of them are white collar, town and country, married with older children in school and they have had some college. They decorate, visit boutiques and shop catalogs. They usually shop during the day when children are in school. They go to craft shows and buy in person; they are home and family oriented; they want beauty and if they have a hobby, like to show it; they are interested in appearance, quality and an artistic flavor, and are generally conservative.

COMPETITIVE ANALYSIS

Our competition is from small home-based businesses and larger craft-type businesses. Our price and quality are equal. Our primary competitors are as follows:

1. Other cloth doll artists who are home-based: Julie McCullough, Eleanor Peace Bailey and Sally Lampi are examples. (One is in Nebraska and the other two are in California.)
2. Pattern Companies - Vogue, Simplicity and McCalls are examples.
3. Pattern mail order - Patterncrafts Catalog and Carolee Creations are examples.
4. Craft/fabric stores - Quilted Corner, Northwest Fabrics and WalMart are local examples.

Our products are well received by our customers in the local area. We have looked at and purchased some of our competitors' products and found that our pricing is a better value in relationship to quality. We have offered a new concept in the cloth doll with our all removable hair, face and clothes. Instead of offering numerous different dolls, we offer one main doll with a product line complimenting that one doll. Therefore, our customer can make or buy one doll, then buy products related to the one doll, instead of creating a doll either with clothes sewn in the seams of the doll, or having only one outfit for a doll. We are attracting people who like the idea of only one doll and many costumes. This is our market niche - some of these people have never owned a doll, until our creation.

We have an opportunity to have our patterns carried in the Patterncrafts Catalog. The large pattern companies have their own designers with their own doll lines. Sometimes the large pattern companies will incorporate a series of patterns into their craft line, choosing from people at the trade shows.

Local shops and the craft markets do not currently carry any comparable products. Our patterns were carried by the local quilt shop in 1993. In 1997, we were well received by the local customers and, thus, feel confident with our expansion.

MARKET POTENTIAL

Current Trade Area

Our current trade area is Eastern Wyoming, mainly Dally. We plan to expand into Northern Colorado in the near future as this area fits our customer analysis.

Market Size And Trends

The Eastern County area has approximately 73,000 people. Based on information gathered from Polk Co. Lifestyle Market Analyst, 1996, of the 73,000, 24,820 people (33%) are likely to be crafters. This represents people who would most likely purchase crafting, sewing or quilting items.

In our own survey and talking to potential customers, about 80% want to buy a pattern and take a class, while about 20% would buy a completed doll. In a survey of 100 people taken at a local Dally craft show, where most of the people craft or sew, the following information was obtained:

- The place where most people bought patterns was from sewing/craft stores like Northwest Fabrics.
- The majority of the people in this survey were in the 46 to 65 age bracket.
- Women were more likely to buy a doll if they were working full time or part time.
- Most people under \$20,000 income would buy a pattern.
- Women in the \$30,000 to \$50,000 income were women who stayed at home and would buy patterns.
- People in the \$51,000 and over income would buy a doll.
- Going to a class on how to make a more difficult pattern was almost equal to the number of people who would buy a pattern.

Sales Volume Potential

The average amount a customer spends on patterns is \$15.00 to \$22.00. On a completed doll \$270. Some customers would buy both patterns and a completed doll, spending \$292.

We are estimating the Annual Market Potential for Eastern County at 5% of 24,820 customers, which leaves 1,241 actual customers who may buy a pattern or a doll.

Based on our survey we estimate the following:

Customers buying a pattern: 80% of 1,241 is 993.

Customers buying a doll: 20% of 1,241 is 248.

993 x \$22.00 (average pattern sale) = \$21,846

248 x \$270.00 (average doll sale) = \$66,960

While this may be our potential growth, we feel our current capacity to produce is 12 dolls a year at \$270.00. This would be \$3,240. We can produce 300 patterns a year at \$15.00 (includes one doll body and one costume). This would be \$4,500. We would be selling approximately 25 patterns a month, but seasonality would adjust this figure per month. We are capable of producing more patterns a month, and feel we can even increase our pattern sales more by establishing a presence on the Internet.

C. MARKETING STRATEGIES

LOCATION/DISTRIBUTION

We are a home-based business. Our house is small and unadorned. Plans are to re-paint, plant flowers, trees and put up an 18" x 24" Seasons Dolls sign as per city regulations. There are plans to decorate the yard with wooden women painted in flowing Victorian clothes doing yard work. There is a cottage that will be used as a work shop after it is renovated. Plans for the exterior of the cottage include life-sized paintings of Victorian women in one window and on the door. A short section of the picket fence with a trellis will be at the entrance to the cottage. All of this will be visible from the street corner. We want to create the atmosphere of an old Victorian garden. Zoning is not a problem.

For now, the living room of the house serves as a temporary work area until the cottage is renovated this Spring. We realize that there are advantages to having a regular retail outlet. We have found from past experiences that it is difficult to run an adequate retail business and be a manufacturer at the same time. Being a home-based business, our overhead is a lot less, but we miss exposure to part of our market.

Our distribution is via personal delivery, pick-up and mail. Again, location is not a hindrance to the process. As we expand, more emphasis on the catalog sales will be developed.

PRICE/QUALITY RELATIONSHIP

We know our price/quality relationship is on target. Our products are high price/high quality. We are in an under saturated market with high quality and fairly priced products.

We are usually able to sell two patterns to the first time buyer, which gives us \$15.00: \$8.00 for doll body and \$7.00 for a costume. We have one main doll body at this time. And because the customer doesn't have to construct a new doll for each costume we make, we can sell more costumes. Pricing for our instructional classes will be in line with other local craft classes.

PROMOTIONAL STRATEGIES

It has been suggested that we make a promotional poster picture of our cottage once it has been renovated to look like the Victorian garden. We would then like to develop the image of our business as a destination point for customers to visit and "experience" our doll atmosphere. We spoke to the Dally Visitor's Center and they have a map of Dally which they give to tourists showing places of interest; within two years we hope to be included on it. Currently, our finished dolls and patterns are located at Mother Earth's Herbs and More in Dally. We can refer tourists to this shop for now. We are also planning mini-business trips to Northern Colorado to look at appropriate shops in which to market our items.

Being aware of trends in materials used, colors, decorating movements and the economy, will help us have an edge on the market. Listening carefully to our customers and getting the product out in a timely fashion will help us to maintain viability. Special order doll requests will be taken throughout the year.

Our primary promotional strategy for the craft classes will be utilizing the local community college continuing education program for adults. All advertising and registration is handled through the college. The community services department has already indicated that they are willing to run a class whenever we are ready. One class is anticipated the first year, and two classes the second.

PACKAGING

Packaging ties into what we are trying to do with the house and yard. We are creating a romantic fantasy. Our colors are pink, burgundy and purple. The patterns carry our trademark angel and our name. On the patterns we use jewel tone colored papers that compliment the photos instead of keeping with the pink, burgundy and purple. We found our patterns stand out when placed with other business' patterns.

Our business slogan is "...the cloth doll for all the Seasons in your life." We will include this on all business packaging.

We decided to discontinue our P.O. Box as we feel we can better use the \$60.00 a year on printing costs; however, we are left with changing our address on our business cards and any other previously printed materials. We are completing this change consistently and as attractively as possible.

Our certificate of authenticity is printed on a burgundy bordered paper and has our angel faded in the background. Thank you notes, business cards, stationery and envelopes are on pink paper with the logo and name. We have used a stamp on the stationery and thank you notes with our angel logo in purple ink. We will continue to stamp our envelopes with this logo stamp, while we look into the cost of having our logo pre-printed on our stationary and thank you notes. We have printed our hang tags and price list for the dolls on pink paper.

Our newsletter and postcards are on pink paper and carry our roses and ribbon motif. The newsletter has our logo printed on it while the postcards are stamped with our trademark angel and name. The advertising angel and lettering is clear and legible so that it can be used in any medium.

The brochure we currently use is from 1993. Our business card is attached over our old address until we can update the brochure. The updated brochure will have color on both sides showing our most popular dolls and costumes. We want the pictures large enough to properly represent our product. We will add more text describing our products and of course, include the angel, name, etc.

We are considering packaging our patterns for shows and other special displays with a pink or purple ribbon and a small rose. We plan to start a hardware kit which includes everything needed to make one doll. It will include items such as wires and selected fabric. These items will be placed in a basket made to hold sewing items. The basket has a decorative painted lid that can be changed to other decorative lids for different times of the year.

A completed doll will be placed in a white satin bag and then cushioned in pink shredded tissue paper inside a white washed crate. A large pink bow will be tied around the outside. This crate will be placed in a large, padded cardboard box for shipping. Care instructions printed on pink paper will be tied to the doll's wrist. All of these packaging costs would need to be added to total product price.

PUBLIC RELATIONS

Joining the Dally Chamber of Commerce will help with our credibility to new customers and be a way to do community service.

Contact has been made with the Dally's Dollies Club to possibly do a short educational program. We will also contact other women's clubs that might enjoy a short program.

There is a possibility of doing a community continuing education class at LCCC in the fall of 1998, on basic doll making. Mother Earth's Herbs and More want us to be their featured artist of the month sometime in 1998, and may allow us to have classes for a few students. We have also been contacted by the Wyoming Sewing Center in Casper, Wyoming, to do a class in April, 1998.

A Seasons Dolls Craft and Doll Club may be started, using our newsletter as the initial response measurement tool. We could then send the club information to cable television, LCCC and a meeting column in the newspaper, specifying the dates and times the club meets. The doll club could work on one doll as a group and donate the doll to Southeast Mental Health, to be given to a recovering female patient.

Displays at schools might be another public relations tool. Our African Series and drums would be appropriate for this purpose.

A local western art and framing store has been contacted about displaying our 1920's cowgirl, when completed, with her framed cowgirl art works.

ADVERTISING

Our advertising for now needs to be no cost or low cost. Our no cost advertising includes: Dally Visitors Center; Sam's Club; Mimi's Doll Catalog in New Jersey; Woodbine Catalog of Catalogs; word-of-mouth from a satisfied customer. We also have a free yellow page listing in the Telecom telephone book under dolls.

Minimal advertising is done with our newsletters/postcards. Newsletters are mailed out four times a year and for special new items we have mailed out postcards. The majority of our customers come from shows, where customers can see the doll and patterns together and ask questions.

We have talked to several local radio persons and found KJLJ to be most appropriate for our customer demographics. They offer an introductory "new business" talk show for free. Radio may be a media we can use after people visually see us. We would use radio around Christmas, because we do fewer shows and it allows the customer to hear our name again.

Our brochures offer a color visual of two of the dolls. In the future, a color catalog with our products and other people's products that compliment our items may be considered.

Other current and first to second year marketing tactics:

1. Dally Visitor's Center - display our product brochures; be included in the calendar of events for the area (interest in dolls); give out Seasons Doll Club information.
2. Have the Seasons Doll Club information carried in the appropriate media.
3. Possible "new" business profile in the newspaper and traders.
4. Send brochure and information on our Western Series to Frontier Days' committee.
Frontier Days information: 200,000 people in family groups.
5. Investigate Frontier Days licensing /royalties for our 1920's Cowgirl.
6. Check into other mail order catalogs (other than Patterncrafts).
7. Find the contact persons for the Christmas House.
8. Contact local interior designers.
9. Check with different Bed and Breakfasts in Dally to place a doll.
10. Parade of Homes - Last 2 weeks of June each year in Dally; need to submit pictures by April 1.
11. Newsletter to become a mini-consignment catalog.
12. Display a doll in the Wyoming Governor's Mansion representing one of the governor's wives

Our budget for advertising at 15% of our estimated gross sales for 1998 would be approximately \$144.00. Our newsletter can be sent to people who have bought a pattern or a doll for now, as our newsletter takes up the majority of our advertising budget.

Specific Marketing Calendar reminders:

Year One 1998

Jan.: postcard/newsletter
Feb.: check marketing tactics that are no cost; Visitors Center
Mar.: check on shops - Hitching Post and Little America; magnetic sign
Apr.: compile Frontier committee list; class in Casper; postcard/newsletter
May: start Internet; check on Bed and Breakfasts in Dally
June: prepare for shows and Frontier Days; Parade of Homes
July: Frontier Days showing; postcard/newsletter
Aug.: State Museum Show; prepare for Christmas
Sept.: doll class at LCCC;
Oct.: postcard/newsletter
Nov.: Wyoming Craft Show; possibly another show
Dec.: Christmas Homes

Year Two 1999

Jan.: Channel 11 - LCCC doll club information; Eagle Tribune; newsletter
Feb.: trip to Northern Colorado; check marketing tactics
Mar.: TCI Homeshopping; trip to Northern Colorado
Apr.: trip to Northern Colorado; newsletter
May: check internet to update; check interior designers in Dally
June: Parade of Homes; prepare for show and Frontier Days
July: Frontier Days showing; newsletter
Aug.: State Museum Show; prepare for Christmas
Sept.: doll class at LCCC
Oct.: newsletter; Seasons Dolls angel ornament
Nov.: Wyoming Craft Show; another show
Dec.: Christmas House; begin portrait doll of one of Wyoming Governor's wives

Year Three 2000

Jan.: newsletter; doll club information; look at Channel 5; Fox; Channel 2/33
Feb.: check marketing tactics; out of state trip
Mar.: check Homeshopping; check shops
Apr.: our state trip; newsletter
May: check internet to update; check mini-consign catalog; other mail order catalogs
June: Parade of Homes; prepare for shows and Frontier Days
July: Frontier Days showing; newsletter
Aug.: State Museum Show; prepare for Christmas
Sept.: doll class at LCCC; prepare Wyoming Governor's wives doll
Oct.: newsletter; trade show ?; continue making Seasons Dolls logo items
Nov.: Wyoming Craft Show; another show
Dec.: Christmas House; Governor's doll displayed

SECTION VI. THE FINANCIAL PLAN

Sales Forecast Worksheet – Year One

Months	1	2	3	4	5	6	7	8	9	10	11	12	Yearly
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Product:	Completed Doll		Body										
Units Sold							1	1				1	3
Price/Unit							95.00	95.00				95.00	
Total Sales							95.00	95.00				95.00	285.00
Product:	Doll Body		Pattern										
Units Sold	3	3	2	2	3	8	10	8	2	3	2	3	49
Price/Unit	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	
Total Sales	24.00	24.00	16.00	16.00	24.00	64.00	80.00	64.00	16.00	24.00	16.00	24.00	392.00
Product:	Costume		Pattern										
Units Sold	2	2	2	1	2	5	8	6	1	2	1	2	34
Price/Unit	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Total Sales	14.00	14.00	14.00	7.00	14.00	35.00	56.00	42.00	7.00	14.00	7.00	14.00	238.00
Product:	Christmas		Mantle		Piece		Pattern						
Units Sold								1	2	1	2		6
Price/Unit								7.00	7.00	7.00	7.00		
Total Sales								7.00	14.00	7.00	14.00		42.00
Total Sales	38.00	38.00	30.00	23.00	38.00	99.00	231.00	208.00	37.00	45.00	37.00	133.00	957.00

Sales Forecast Worksheet – Year Two

Months	1	2	3	4	5	6	7	8	9	10	11	12	Yearly
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Product:	Completed Doll		Body										
Units Sold							2	1			1	1	5
Price/Unit							95.00	95.00			95.00	95.00	
Total Sales							190.00	95.00			95.00	95.00	475.00
Product:	Doll Body		Pattern										
Units Sold	4	4	3	3	5	12	15	12	3	4	4	4	73
Price/Unit	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	
Total Sales	32.00	32.00	24.00	24.00	40.00	96.00	120.00	96.00	24.00	32.00	32.00	32.00	584.00
Product:	Costume		Pattern										
Units Sold	3	3	3	2	3	7	12	8	2	3	2	3	51
Price/Unit	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Total Sales	21.00	21.00	21.00	14.00	21.00	49.00	84.00	56.00	14.00	21.00	14.00	21.00	357.00
Product:	Christmas		Mantle		Piece		Pattern						
Units Sold								1	3	2	3		9
Price/Unit								7.00	7.00	7.00	7.00		
Total Sales								7.00	21.00	14.00	21.00		63.00
Total Sales	53.00	53.00	45.00	38.00	61.00	145.00	394.00	254.00	59.00	67.00	162.00	148.00	1479.00

Cost of Projected Product Units Worksheet – Year One

Months	1	2	3	4	5	6	7	8	9	10	11	12	Yearly
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Product:	Completed Doll		Body										
Units Sold							1	1				1	3
Cost/Unit							62.00	62.00				62.00	
Total Sales							62.00	62.00				62.00	186.00
Product:	Doll Body		Pattern										
Units Sold	3	3	2	2	3	8	10	8	2	3	2	3	49
Cost/Unit	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	
Total Sales	10.59	10.59	7.06	7.06	10.59	28.24	35.30	28.24	7.06	10.59	7.06	10.59	172.97
Product:	Costume		Pattern										
Units Sold	2	2	2	1	2	5	8	6	1	2	1	2	34
Cost/Unit	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	
Total Sales	7.00	7.00	7.00	3.50	7.00	17.50	28.00	21.00	3.50	7.00	3.50	7.00	119.00
Product:	Christmas		Mantle		Piece		Pattern						
Units Sold								1	2	1	2		6
Cost/Unit								3.50	3.50	3.50	3.50		
Total Sales								3.50	7.00	3.50	7.00		21.00
Total Sales	17.59	17.59	14.06	10.56	17.59	45.74	125.30	114.74	17.56	21.09	17.56	79.59	498.97

Cost of Projected Product Units Worksheet – Year Two

Months	1	2	3	4	5	6	7	8	9	10	11	12	Yearly
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Product:	Completed Doll		Body										
Units Sold							2	1			1	1	5
Cost/Unit							62.00	62.00			62.00	62.00	
Total Sales							124.00	62.00			62.00	62.00	310.00
Product:	Doll Body		Pattern										
Units Sold	4	4	3	3	5	12	15	12	3	4	4	4	73
Cost/Unit	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	
Total Sales	14.12	14.12	10.59	10.59	17.65	42.36	52.95	42.36	10.59	14.12	14.12	14.12	257.69
Product:	Costume		Pattern										
Units Sold	3	3	3	2	3	7	12	8	2	3	2	3	51
Cost/Unit	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	
Total Sales	10.50	10.50	10.50	7.00	10.50	24.50	42.00	28.00	7.00	10.50	7.00	10.50	178.50
Product:	Christmas		Mantle		Piece		Pattern						
Units Sold								1	3	2	3		9
Cost/Unit								3.50	3.50	3.50	3.50		
Total Sales								3.50	10.50	7.00	10.50		31.50
Total Sales	24.62	24.62	21.09	17.59	28.15	66.86	218.95	135.86	28.09	31.62	93.62	86.62	777.69

Sales Forecasts Assumptions: (See Prior Pages)

Units sold each month are based on past sales history. Seasonal fluctuations of units sold is based on what has sold in the past, targeted customer buying habits, tourism and shows. Price per unit is based on competition and market values. Of sales reported in sales forecast, 100% will be cash. Because we are more visible this year (1998) we expect our sales to increase due to shows and products placed in store front (consignment sales).

Cost Of Projected Product Units Sold Assumptions: (See Prior Pages)

The pattern prices are based on wholesale prices that would cost a retail store. The doll body pattern would cost \$4.00 wholesale. The costume pattern would cost \$3.53 wholesale. Our costs for each particular pattern item is in our Budget. (Specific Budget listings have been removed from this sample business plan copy for proprietary information reasons.)

Start-up Expenses Worksheet

		Cost
A.	Cash Available Now	3140.00
1	Purchase fixed assets	1150.00
2	Remodeling costs	600.00
3	Installation fees	100.00
4	Deposits	
5	Fees and Licenses	200.00
6	Legal Fees	50.00
7	Accounting Fees	50.00
8	Insurance	
9	Pre-opening labor expense	
10	Pre-opening training costs	
11	Beginning inventory	
12	Supplies (Letterhead, etc.)	
13	Promotion	
14	Advertising	190.00
15	Other Expenses:	
B.	Total Start-up Expenses	2340.00
C.	(A-B) Beginning Cash Balance or Additional Cash Required ()	800.00

Assumptions:

1. 35 mm, extreme close-up capability for pictures of faces and doll accessories (\$600).
Computer Scanner to scanner (150), Serger, to make finished professional seams (\$400)
2. Need electrical, insulation in the roof, wall board on the walls, gas heating, flooring, window, painting supplies, shelving. We will do the work and we have many of the supplies on hand.
3. Hook-up main electrical - power co. - for computer
5. Registration of business and trademark.
6. For business agreements.
7. Initial consultation.
14. Direct mail out and Internet start-up and sale page.

Note: Item C. Beginning Cash Balance of \$ is carried forward to Beginning Cash Balance 1. (A) on Monthly Cash Flow Projection - Year One.

B. Cash Flow Projections

Monthly Cash Flow Projection – Year One

	1	2	3	4	5	6	7	8	9	10	11	12	Yearly
Months	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
1. (A) Beginning Cash Balance	800	646	531	649	539	505	561	689	672	506	328	272	800
Cash Receipts													
2. Cash Sales	38	38	30	23	38	99	231	208	37	45	37	133	957
3. Collect A/R													
4. Wood (future)													
5. Classes			228										228
(B) Total Cash Receipts	38	38	258	23	38	99	231	208	37	45	37	133	1185
Cash Disbursements													
6. Cash Purchases (Raw Materials)	100	130	50	50	19			50	50			50	499
7. Pay Accounts Payable													
8. Salaries/Wages & Benefits													
9. Owner Draws													
Non-Labor Expenses:													
10. Outside Svcs			50						100	150			300
11. Insurance													
12. Adv.-newsltr shows	20			20			20				20		80
Internet				20	20	20	30	122			30		182
							20	20	20	20	20	20	180
13. Occupancy Expenses	5	5	5	5	5	5	5	5	5	5	5	5	60
14. Misc.Expenses	56	18	35	38	28	18	28	28	28	48	18	18	361
15. Bank Costs	11												11
16. Debt Payt Old													
(C) Total Cash Disbursements	192	153	140	133	72	43	103	225	203	223	93	93	1673
Net Cash Flow (B-C)	(154)	(115)	118	(110)	(34)	56	128	(17)	(166)	(178)	(56)	40	(488)
Adjustment to Net Cash Flow													
17. (+) New Debt													
18. (+) New Owner Investment													
19. (-) New debt-Interest Paymts													
20. (-) New Debt-Principal Paymts													
21. (-) New Owner Withdrawals													
(D) Adjusted Net Cash Flow	(154)	(115)	118	(110)	(34)	56	128	(17)	(166)	(178)	(56)	40	(488)
Ending Cash Balance (A+D)	646	531	649	539	505	561	689	672	506	328	272	312	312

Monthly Cash Flow Projections – Year One – Additional Notes

Line Item of Expense

1. Beginning cash balance is carried forward from the Start-up Expenses Worksheet – this projection assumes an initial owner investment (to cover start-up expenses) rather than borrowing
2. See Sales Forecast Worksheet
5. Assumes teaching only one class session this year in March.
6. Purchase of raw materials for sales – see Cost of Projected Product Units Worksheet
8. Assumes no salaries for owner
10. Accountant and Lawyer, as needed (quarterly for accountant)
11. Assumes no insurance beyond homeowners for first year
12. Newsletter 4 times/year; attend 3 craft shows (one big one in August); Internet connection
13. Minimal expense – use of basement – additional electricity only
14. Gas, office supplies, minor repairs
15. Initial account costs

Projected Annual Cash Flow for Year Two

Beginning Cash Balance \$312 (+)

Cash Receipts:

Product	1479	
Classes	<u>456</u>	
		1935 (+)

Cash Disbursements

Cost of Sales	778	
Expenses	<u>1291</u>	
+ 10%		2069 (-)

Ending Cash Balance \$178

Assumptions:

- Cash Receipts (product) – see Sales Forecast Worksheet
Classes – assumes teaching 2 classes during the year
Cost of Sales (product) – see Cost of Project Product Units Worksheet
Expenses – assumes a 10% increase from prior year

Summary of Financial Findings

This course and the above financial projections have shown me that the process of making this a viable, part-time business which provides additional income to the owner is potentially a long one. While we enjoy the creative process, it is the first time that we have taken a hard look at the costs associated with that process, and understand the need to promote our business to make it grow. The next 12 months will be a time of reflection, determining if it is more appropriate to leave this endeavor as a wonderful “hobby” or truly look to finding additional money sources to move it in the direction of a viable business. If we choose the latter, new financial projections will need to be developed.

Appendix

(The Appendix information listed below has been deleted from this sample business plan copy for proprietary information reasons. Students can, however, review the listing for appropriateness.)

Resume
Artist Background
Special Order Form
Layaway Agreement
Consignment Agreement
Contractor Agreement
Production Plan
Checklist - Doll Body
Pattern Review
Fairfield Advertisement
Price List
Hang Tag and Brochure
Certificate of Authenticity
Female Doll Body Pattern
Six Female Doll Faces
Witch Alyssa Costume
k.p. Christmas Costume
Sailor Girl Costume
Victorian Angel and Lady Costume
Woodland Princess Christmas Sock Holder
Old World Santa Christmas Sock Holder